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TELEGRAM

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INFO OCT-01 ADS-00 DEAE-00 CIAE-00 IHR-10 10-14 JUS-01
MSAE-00 CTME-00 INM-05 SP-02 TRSE-00 ICA-11
NSC-05 OES-09 OMB-01 /074 W

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FM AMEMBASSY LIMA
TO SECSTATE WASHDC 8295

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E.O. 12065: GDS 11-9-85 (SCOTT, LESLIE) OR-P
TAGS: SHAR, PINT
SUBJ: (1) PROTESTS OVER GOP
COCA CONTROL EFFORTS

1. (C - ENTIRE TEXT).

2. SUMMARY: PRESS REPORTS LEFTIST POLITICAL LEADERS ARE PLAYING ON LOCAL UNHAPPINESS WITH RECENT GOP EFFORTS TO CONTROL THE COCA TRADE IN ONE AREA OF PERU'S HIGHLANDS. PROTESTS OVER GOP PROCEDURES TO ESTABLISH ITS MONOPOLY OF COCA MARKETING HAS PROMPTED STRIKES AND PROTESTS BUT GOP THUS FAR IS STANDING FIRM. GOP'S WILL TO RESIST PROTESTS ABOUT EFFORTS TO CURB ILLICIT COCA TRADE WILL BE FURTHER TESTED WHEN USG-SUPPORTED PILOT IMPACT PROJECT IN TINGO MARIS IS IMPLEMENTED LATER THIS MONTH. END SUMMARY.

3. GOP-CONTROLLED DAILY PRESS HAS CARRIED OVER PAST 2 WEEKS A NUMBER OF STORIES REPORTING THAT TROTSKYITE LEADER AND FORMER GUERRILLA HUGO BLANCO, ALONG WITH EMILIO FERNANDEZ CHACON AND SOME OF THEIR ASSOCIATES HAVE BEEN CAMPAIGNING IN THE LA CONVENCIÓN/GUILLABAMBA AREA OF THE HIGHLANDS NORTH OF CUSCO IN FAVOR OF UNRESTRICTED COCA GROWING AND MARKETING. STORIES CONTEND THAT THEY ARE URGING STRIKES BY FARMERS TO PRESSURE GOP TO DECLARE THE ZONE A LEGITIMATE COCA GROWING REGION AND TO ALLOW PEASANT COOPERATIVES TO MARKET THEIR OWN COCA. PRESS REPORTS HINT DARKLY THAT BLANCO AND COMPANY HAVE SUBVERSIVE AND/OR MONETARY AIMS IN MIND. BLANCO WAS A GUERRILLA LEADER IN THE CONVENCIÓN VALLEY REGION IN THE MID 60'S AND CONTEND THAT LOCAL FARMERS AND THOSE CONCERNED ABOUT ILLICIT DRUG PROBLEM ARE OPPOSING THEM.

4. PROTEST STEMS FROM EFFORT BEGUN LAST MONTH BY GOVERNMENT COCA MONOPOLY (ENACO) TO ELIMINATE THE PRIVATE WHOLESALERS IN THE LUKRATIVE COCA TRADE AND MONOPOLIZE IT UNDER ENACO CONTROL, BEGINNING IN GUILLABAMBA. IN SO DOING, ENACO HAS CONFISCATED COCA LEAVES PRESENTED FOR SALE AT ITS OFFICE BY UNREGISTERED GROWERS, WHICH HAS ADVERSELY AFFECTED THE FINANCES OF SOME LOCAL LEADERS. IN RESPONSE, THEY HAVE ORGANIZED AN ANTI-ENACO CAMPAIGN WHICH CULMINATED IN A PEACEFUL 3-DAY GENERAL STRIKE AT THE END OF OCTOBER IN WHICH SEVERAL THOUSAND PEASANTS OCCUPIED THE TOWN AND CLOSED IT DOWN. BLANCO AND COMPANY APPEAR TO BE TAKING ADVANTAGE OF THIS SITUATION FOR THEIR OWN POLITICAL ENDS, SINCE BLANCO MAY WELL BE A PRESIDENTIAL CANDIDATE IN 1980 FOR ONE OF THE LEFTIST GROUPS.

5. DESPITE THE STRIKES AND PROTESTS, HOWEVER, ENACO IS STANDING FIRM. ACCORDING TO ITS ADMINISTRATOR, ALEJANDRO COSTA, ENACO HAS RECEIVED FULL SUPPORT FROM THE PERUVIAN INVESTIGATIVE POLICE (PIP) AND THE GUARDIA CIVIL TO KEEP THEIR GUILLABAMBA OPERATION GOING. HE TOLD US, HOWEVER, THAT ENACO'S ENEMIES ARE PROMOTING AN ANOTHER GENERAL STRIKE IN GUILLABAMBA IN EARLY DECEMBER IF THEIR

6. WE ARE FOLLOWING THESE EVENTS WITH INTEREST SINCE THE ENACO PROGRAM REPRESENTS THE FIRST EFFORT BY THE GOP TO INTERVENE SIGNIFICANTLY IN THE COCA TRADE, ALBEIT IN AN AREA WHERE LITTLE OF THE COCA GOES INTO COCA BASE/PASTE PRODUCTION. NONETHELESS, IT IS A TEST OF THE GOP'S WILL TO RESIST POPULAR PROTEST OVER COCA CONTROL MEASURES. A FURTHER TEST OF ITS WILL SHOULD BE FORTHCOMING AS THE USG-FUNDED PILOT IMPACT PROJECT TO CONTROL COCA PRODUCTION AND TRAFFIC GETS UNDERWAY IN THE TINGO MARIA REGION IN THE LATTER HALF OF NOVEMBER. SHLAUDENAN

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